

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA**

TWENTIETH CENTURY FOX FILM CORP., *et al.*,

Plaintiffs,

v.

MEGAUPLOAD LIMITED, *et al.*,

Defendants.

No. 1:14CV362
(LO / IDD)

ECF CASE

**PLAINTIFFS' RESPONSE TO
MEGAUPLOAD LTD.'S MOTION FOR A STAY**

Plaintiffs Twentieth Century Fox Film Corporation, Disney Enterprises, Inc., Paramount Pictures Corporation, Universal City Studios Productions LLLP, Columbia Pictures Industries, Inc., and Warner Bros. Entertainment Inc. (together, "Plaintiffs") hereby respond to Defendant Megaupload Ltd.'s ("Megaupload") motion for a continuation of the stay of this case, which is set to expire on August 1, 2014 (Dkt. No. 31). This Court has scheduled Megaupload's motion for hearing on July 25, 2014 (Dkt. No. 39).

Although Plaintiffs disagree with many of the statements and reasons set forth in Megaupload's motion for a stay (Dkt. No. 37) and the brief in support thereof (Dkt. No. 38), Plaintiffs do not oppose a time-limited continuation of the stay, with the following conditions:

1. The continuation of the stay should not extend beyond six months – to February 1, 2015 – rather than the eight months that Megaupload has requested. As the Court is aware, Megaupload initially sought a stay of this case on the same terms and conditions as the stay of a related civil action, *Microhits, Inc. v. Megaupload, Ltd.*, No. 1:12cv327-LO (E.D. Va., filed Mar.

21, 2012) (the “*Microhits* Action”). *See* Motion of Defendant Megaupload Ltd. for a Stay Pending a Parallel Criminal Prosecution, at 2 (May 10, 2014) (Dkt. No. 20). This Court has extended the “limited” stay of the *Microhits* Action several times since June 2012, each time for a six-month term. *See* Dkt. No. 36 at 2 (*Microhits* Action Order denying Plaintiffs’ Motion for Reconsideration (June 15, 2012)).

Meanwhile, more than 2 ½ years have passed since the initiation of the pending criminal action against Defendants, *United States v. Kim Dotcom, et al.*, No. 1:12-cr-00003-LO (E.D. Va. filed Jan. 5, 2012). Given this significant passage of time and the pendency of multiple proceedings in New Zealand and Hong Kong that could affect Plaintiffs’ rights in the current action, *see, e.g.*, Plaintiffs’ Memorandum of Law in Response to Megaupload’s Motion for a Stay, May 27, 2014 (Dkt. No. 26), the equities favor limiting the extension of the current stay for no more than six months – until no later than February 1, 2015 – as has been this Court’s practice in the *Microhits* Action to date.

2. Any continuation of the stay should be subject to the same conditions as were imposed on the initial stay in this case, including (without limitation) that “Plaintiffs may institute and pursue any action in the United States or a foreign jurisdiction to preserve Defendants’ assets in the event that such action becomes necessary.” Order on Motion to Stay (E.D. Va. June 10, 2014) (Dkt. No. 31). As Megaupload’s motion seeks an extension of the stay subject to these same conditions, Plaintiffs do not oppose the motion in this respect, and request only that any extension be time-limited to February 1, 2015 rather than for the eight months that Megaupload has requested.

Respectfully submitted,

Dated: July 22, 2014

By: /s/ Julie M. Carpenter

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CERTIFICATE OF SERVICE

I hereby certify that on July 22, 2014 the foregoing was filed and served electronically by the Court's CM/ECF system upon all registered users, as well as by first-class U.S. mail, postage pre-paid, upon the following:

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